

# **Exhibit I**

01057SEP 5 2006 11:48 ST. 11:47 No. 6810120500 P

CHARLES J. DIVEN, JR., ESQ.  
ATTORNEY AT LAW

September 5, 2006

Chagaris Law Firm, PA.  
P.O. Box 1408  
Davidson, NC 28036

By Fax 704-894-9673

Re: KA v Hawthorne Mills

Dear Mr. Chagaris,

I still have not heard from you whether the court was willing to stay a decision on the order until you were able to obtain a copy of the subject transcripts. Also, I think that it would be a good idea to give Carl the information on the transcripts and let him hint down the reporter. I know that at least up hear, sometimes, they are lax in getting old short transcripts.

The franchise taxes have been filed on KA, so the corporation administratively is reinstated. I do not think that the corporation needs to file in North Carolina for any year other than the year in which the transfer was made and it was in good standing that year in North Carolina as we have the title report demonstrating as much.

Also, we need to get together to go over the facts of this case before we are "on call" again at the Court.

Sincerely,



Charles J. Diven, Jr., Esq.

We keep trying to move forward but I never know where we stand & what the next thing is.

At this time let's push for transcripts & getting together with him.

Attached Message

From: cjdiven@aol.com  
To: chris.chagaris@att.net  
Cc: christmasdeco@aol.com  
Subject: Re: Transcripts/KA holdings  
Date: Tue, 05 Sep 2006 08:45:10 -0400

Chris,

I still have not heard from you whether the court was willing to stay a decision on the order until you were able to obtain a copy of the subject transcripts. Also I think that it would be a good idea to give Carl the info on the transcripts and let him hint down the reporter ... I know at least up here sometimes they are lax in getting old short transcripts.

The franchise taxes have been filed on KA so the corporation administratively is reinstated. I do not think that the Corp needs to file in North Carolina for any year other than the year in which the transfer was made...and it was in good standing that year in NC as we have the title reort demonstraing as much.

Also, we need to get together to go over the facts of this case before we are "on call" again at the Court.

-----Original Message-----

From: CHRISTMASDECO@aol.com  
To: chris.chagaris@att.net  
Cc: Cjdiven@aol.com  
Sent: Sat, 2 Sep 2006 3:50 PM  
Subject: Transcripts/KA holdings

Chris:

We are waiting for the transcript information discussed with CJ on phone?  
If you will supply us with who to contact we will be happy to take care of.  
However it is my understanding that you are working on and will Fedex to us when you receive-  
Whatever- Please give us a status on this

Please also give us a status report where the case stands- if anything we have to answer in terms of court papers etc

It is my understanding that KA Holding is an active corp.

We were to arrange a day to fly to Charlotte or for you to come up. This would be done on a Saturday or Sunday as that is the only sure thing as far as you being available and not at the courts disposal. You were to give us a date but since May of this year when we discussed this we have no date set?

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